

## Message Text

UNCLASSIFIED

PAGE 01 BAGHDA 01476 270759Z  
ACTION NEA-10

INFO OCT-01 ISO-00 EB-08 /019 W  
-----084435 271012Z /12  
R 270720Z AUG 77  
FM SUSINT BAGHDAD  
TO USDOC WASHDC  
INFO USECSTATE WASHDC 4917

UNCLAS BAGHDAD 1476

E.O. 11652: NA  
TAGS: BDIS, IZ.  
SUBJ: TRADE COMPLAINT AGAINST U.S. COMPANY (DADANT AND SONS,  
INC.)

1. USINT HAS BEEN REQUESTED BY IRAQI AGRICULTURAL SUPPLIES  
ADMINISTRATION (ASA), A SEMI-AUTONOMOUS ORGAN OF THE IRAQI  
MINISTRY OF AGRICULTURE AND AGRARIAN REFORM, TO ASSIST IN  
SOLVING PROBLEMS RESULTING FROM A 1976 ORDER FOR BEEHIVE  
SUPPLIES WORTH ABOUT 850,000 DOLLARS IN FAVOR OF DADANT AND  
SONS INC., HAMILTON, ILLINOIS 62341. ORDER CALLED FOR C&F  
DELIVERY BAGHDAD, AND IRREVOCABLE LETTER OF CREDIT FOR FULL  
AMOUNT WAS ESTABLISHED WITH CONDITION THAT LAST 10 PERCENT  
OF LETTER OF CREDIT VALUE WOULD ONLY BE RELEASED AFTER  
RECEIPT OF ORDER.

2. GOODS WERE SHIPPED BY SUPPLIER IN 23 CONTAINERS TO KUWAIT,  
TRANSHIPPED TO BASRAH PORT AND THEN RAILROADED TO BAGHDAD.  
IRAQI CLIENTS HAVE RECEIVED 22 CONTAINERS, BUT ONE CONTAINER  
(NO. ICSU-22-616-4) IS STILL IN KUWAIT. ACCORDING  
TO ASA, DADANT IN JULY 13, 1977 CABLE SUGGESTED THAT  
ASA TAKE DELIVERY OF THE LAST CONTAINER FROM KUWAIT  
AND CLAIMED THAT DADANT HAD CARRIED OUT ITS OBLIGATIONS UNDER  
THE CONTRACT. IRAQI IMPORTERS POINT OUT, HOWEVER, THAT CONTRACT  
CALLS FOR C&F BAGHDAD.

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3. IRAQI CLIENTS ALSO CLAIM THAT THE U.S. SUPPLIER DID  
NOT PUT SHIPPING MARKS ON CARTONS SHIPPED IN CONTAINERS  
AS REQUESTED IN THEIR PURCHASE ORDER NO MES/53/76 AND  
SUBSEQUENTLY CONFIRMED IN INVOICES SUBMITTED BY THE U.S.  
EXPORTERS TO THE BANKS. AS A RESULT, IRAQI BUYERS ARE  
CLAIMING OVER 20,000 DOLLARS DEMURRAGE CHARGES FROM  
U.S. SUPPLIER. BUYERS CLAIM THAT THEY WERE NOT AWARE OF

GOODS BEING IN CUSTOMS WAREHOUSE UNTIL CUSTOMS OFFICIALS  
PUT ITEMS UP FOR AUCTION AS UNCLAIMED SHIPMENTS.

4. IRAQI CLIENTS ALSO CLAIM TO HAVE PAID BAGHDAD-BASRAH  
RAILROAD EXPENSES FOR EMPTY CONTAINERS BECAUSE THE FREIGHT  
COMPANIES THAT OWNED THE CONTAINERS DID NOT HAVE LOCAL  
ARRANGEMENTS. ALTERNATIVE, THEY CLAIM, WAS AUCTIONING EMPTY  
CONTAINERS IN BAGHDAD AS UNCLAIMED GOODS IN CUSTOMS AREA.

5. PER 10 FAM, USINT HAS POLITELY REJECTED SUGGESTION BY  
IRAQI BUYER TO INSPECT GOODS AND CONFIRM THAT THEY HAVE NO  
SHIPPING MARKS, PACKING LISTS, ETC. MEANWHILE, IRAQI BUYERS  
DO NOT INTEND TO RELEASE OUTSTANDING 84,786.90 DOLLARS IN  
LETTER OF CREDIT UNTIL ABOVE ISSUES ARE SOLVED.

6. DADANT HAS SENT ASA COPY OF COMPLAINT DADANT SUBMITTED  
TO USDOC CHICAGO DISTRICT OFFICE. USINT HAS NO RECORD OF  
SUCH LETTER AND WOULD APPRECIATE RECEIVING COPY AS WELL  
AS ANY OTHER INFORMATION GIVING AMERICAN SUPPLIER'S VIEWS  
ON ABOVE CLAIMS BY IRAQI IMPORTER.  
MACK

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## Message Attributes

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**Channel Indicators:** n/a  
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**Review Markings:**  
Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
22 May 2009  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009